

Before the
Federal Communications Commission
Washington, DC 20554

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MAY 30 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Federal-State Joint Board on
Universal Service

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CC Docket No. 96-45

To: The Commission

REPLY COMMENTS OF THE COUNCIL OF THE GREAT CITY SCHOOLS

The Council of the Great City Schools, the coalition of over 50 of the nation's largest central city school districts is pleased to submit our reply to selected comments filed pursuant to the Commission's April 30, 2001 Further Notice of Proposed Rulemaking (Notice) regarding: (1) a proposed rule change for Year Four, to give funding priority to requests for internal connections made by individual schools and libraries that did not receive funding commitments for internal connections the previous year; and (2) a proposed modification to the rule to provide additional time for recipients to implement contracts or agreements with service providers for non-recurring services (FCC 01-143).

SUMMARY

- (1) Following a review of the submitted comments, the Council of the Great City Schools reaffirms its opposition to the proposed rule change regarding funding priority for internal connections for Year Four. The retrospective revision of applications received for Year Four, as suggested by the Notice, is an arbitrary decision that is harmful to faithful applicants. The complexity involved in the interpretation and implementation of a priority rule change requires more extensive consideration and discussion than suggested by the current Notice, and may prove difficult to perform before the start of the Year Four funding cycle. Finally, with estimates and demand for E-Rate services expanding yearly, the FCC's should examine an increase in the spending cap for universal service, not a reduction in services for those most eligible. Therefore, the Council of the Great City Schools asserts the almost unanimous sentiment that any change in the priority rule must be enacted no earlier than the start of Year Five.

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- (2) The Commission's decision to extend the deadline for Year Three non-recurring services to September 30, 2001, as well as the proposed modification for a permanent deadline for such services to September 30 following the close of the funding year, is an important and sound decision that has the full support of the education community.

COMMENTS OF THE COUNCIL OF THE GREAT CITY SCHOOLS

The Council of the Great City Schools, the coalition of over 50 of the nation's largest central city school districts, is pleased to submit our reply to selected comments pursuant to the Commission's April 30, 2001 Further Notice of Proposed Rulemaking (Notice). The E-Rate program has no greater advocate than the large city school systems that enroll the highest number of disadvantaged children, employ the largest number of teachers, and occupy the greatest number of school buildings. Specifically, the Council of the Great City Schools represents approximately 30% of the nation's Hispanic students, 35% of the nation's African American students, and 25% of the nation's children living in poverty. The value of the E-Rate is immeasurable to these students and the inner-city; prior to the E-Rate, shallow resources and a historically deep digital divide often left school districts with no chance to provide the technology that has enhanced teaching and learning elsewhere.

PROPOSED: A rule change for Year Four, to give funding priority to requests for internal connections made by individual schools and libraries that did not receive funding commitments for internal connections the previous year.

A review of the comments regarding a new reimbursement mechanism for internal connections uncovers a repetitive and almost uniform opposition to the proposed rule change for Year Four. While some submissions oppose the proposed rule outright, there appears to be an essentially unanimous sentiment that a new rule should not be applied retrospectively after the conclusion of the Year Four application process.

Comments to the proposed rule were submitted by a diverse group of institutions, and those that are not often in agreement on education decisions. Yet private industry companies such as Cisco Systems, Qwest Corporation, and WorldCom Inc.; State Departments of Education from different geographic regions like California, Wisconsin, and Illinois; local school districts of all sizes; and a number of coalitions of individual schools, districts, libraries, telecommunications companies, and education organizations all form a sturdy band in their support of the benefits of the E-Rate, and their opposition to the proposed rule change regarding funding priority for internal connections for Year Four.

Also noted in many comments, as well as the original submission by the Council, is the careful consideration that must precede the interpretation and implementation of a priority rule change, and that was lacking in the April 30, 2001 Notice. The proposed

rule's inadvertent effect of omitting schools from funding due to existing maintenance contracts was raised by many districts, as was the complexity involved in determining which sites truly received service for internal connections, regardless of being listed on the district application. These issues, and all others, need to be discussed and resolved, and criteria in the decision-making process must be widely distributed, before any applicants can be fairly denied funding for internal connections. The extensive consideration and discussion that is required was not suggested by the current Notice, and may prove difficult to perform before the start of the Year Four funding cycle.

Finally, with estimates and demand for E-Rate services expanding yearly, we repeat our belief that the FCC should examine the possibility of increasing the spending cap for universal service. A number of the comments echoed these sentiments, referencing the E-Rate's administrative process, the success the program has achieved after a turbulent beginning, as well as the lengthy process, delay, and confusion that will accompany any new rule. These comments continue on to assert that providing enough funds for universal service needs is an appropriate response that allows the SLD to meet the needs of all high-poverty applicants, with little or no disruption to the established reimbursement mechanism.

PROPOSED: A modification to the rule to provide additional time for recipients to implement contracts or agreements with service providers for non-recurring services.

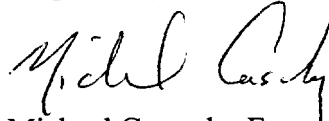
The Council of the Great City Schools repeats its support of the decision to extend the deadline for Year Three non-recurring services to September 30, 2001, as well as the proposed modification for a permanent deadline for such services to September 30 following the close of the funding year.

Urban school districts submit the largest applications to the SLD, and due to the complexity of their requests, are often among the last to receive funding commitments. The size and scope of projects in the largest school districts require sufficient time for completion, including the important summer months, when paying overtime to avoid disrupting classes is less likely to occur. This year's deadline extension will help all schools complete projects from Year Three, and the permanent extension will assist them in their continual efforts to close the digital divide.

CONCLUSION

A number of the comments submitted quoted one sentence directly from the Telecommunications Act of 1996, the assertion that, "There should be specific, predictable and sufficient Federal and State mechanisms to preserve and advance universal service." If the FCC proposes a new funding priority rule, the Council of the Great City Schools repeats its belief that the Commission must implement it in such a way that minimizes the disruption of program service, and does not subvert the original intent of the highly successful E-Rate program or the aim of the Act from which it was created.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael Casserly". The signature is fluid and cursive, with the first name "Michael" and last name "Casserly" clearly distinguishable.

Michael Casserly, Executive Director
Council of the Great City Schools

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